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Report of the International Labour Organization on labour statistics and on the outcomes of the eighteenth International Conference of Labour Statisticians

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-ninth session, the Secretary-General has the honour to transmit the report of the International Labour Organization (ILO), which is submitted to the Commission for discussion. The present report describes the priorities for future development work in international labour statistics that have been identified by ILO in response to the recommendations of the programme review considered by the Commission at its thirty-ninth session and through the mechanism of the International Conference of Labour Statisticians (ICLS). The report also outlines the recommendations of the eighteenth ICLS on its organization, frequency and duration, and discusses the provision of support to national statistical systems for the production of employment statistics. The Commission may wish to express its views on the points raised for discussion in paragraph 36 of the report.

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Report of the International Labour Organization on labour statistics and on the outcomes of the eighteenth International Conference of Labour Statisticians

I. Introduction

1. At its thirty-ninth session, the Statistical Commission considered a programme review report on labour statistics prepared, at the request of the Commission, by the Office for National Statistics, United Kingdom of Great Britain and Northern Ireland.

2. The Statistical Commission commended the programme review report, took note of the recommendations therein and welcomed the constructive response and commitments made by the International Labour Organization (ILO).[1] It emphasized the need for prioritization of the recommendations, given existing resources, and requested the development of a road map for their implementation.

3. The Commission asked the donor community to support international technical assistance to enhance the capability of developing countries to produce high-quality labour statistics and noted that technical assistance should be coordinated and implemented within existing technical cooperation programmes.

4. In welcoming the work of the International Conference of Labour Statisticians (ICLS), the Commission suggested it might wish to review ICLS methods of operation, in particular the frequency and duration of its sessions. The Commission requested that ILO report to it at its fortieth session on the outcomes of the Conference and other actions taken in the implementation of the recommendations of the review report, including the road map.

5. The eighteenth International Conference of Labour Statisticians was held in Geneva from 24 November to 5 December 2008 and was attended by delegates from more than 112 member States, as well as by employer and worker representatives and international governmental and non-governmental organizations. In all, there were more than 250 participants. The main outcomes of the Conference were the adoption of new international statistical standards on child labour and working time. The new standards provide comprehensive international guidelines on substantive methods to measure each topic and their application in countries at different levels of development. The Conference held extensive discussions on possible future ILO work on the development of methods in labour statistics, including the priorities identified in the review report.

6. The present report describes the priorities for future development work in international labour statistics that have been identified by ILO in consultation with the Committee for the Coordination of Statistical Activities (CCSA) and others, and describes the strategy proposed to take this work forward. These priorities were developed in response to the recommendations of the programme review and through the ICLS mechanism. They also draw on other inputs from the constituents of ILO and on the knowledge of ILO staff members regarding the needs and desires

[1] See *Official Records of the Economic and Social Council, 2008, Supplement No. 4* (E/2008/24), chap. I.B.

of countries with less developed statistical systems that may not have had the resources to contribute to the programme review.

7. The report also outlines the recommendations of the eighteenth ICLS on its organization, frequency and duration, and discusses the provision of support to national statistical systems for the production of employment statistics.

II. Priorities for future work

A. Changing structure of the labour force

8. The topic encompasses a wide range of issues associated with both demographic and structural variables. Some of the most important of these are discussed below.

1. Ageing

9. The ageing of the labour force is a significant element of its changing structure for a large number of countries across the world. Issues that need to be addressed include: (a) ageing workforce estimates and projections and labour force participation of older workers; (b) the exploration of statistics on elderly labour utilization and underutilization, skills transmission and development, and potential labour supply among elderly economically inactive; (c) design of labour force surveys to be able to predict movements from economic inactivity to employment among older workers; (d) the measurement of changing retirement behaviours, the exit-from-work process or patterns of older workers (such as reducing hours, etc.); and (e) design of longitudinal studies to measure ageing and retirement.

10. Presently, national agencies are approaching the measurement of the ageing labour force in different ways, in some cases, by fine-tuning existing data outputs, or through a broader approach to ageing-related issues across a number of Government agencies. Standardized concepts and measures, as well as methodologies are therefore required to produce comparable key ageing indicators and to describe and characterize the work experiences of persons aged 50 and over. These should be based on identification of the relevant key policy issues, translation of these needs into statistical concepts and measures, identification of currently available measures and definitions of key concepts.

2. Degree/type of labour force connection

11. Another element of the changing structure issue relates to the different combinations of labour force status and connection to the labour force. Cross-sectional data and, more ambitiously, flow data, could be used to represent combinations of persons in employment and on labour market employment schemes and measures; in education; on long-term absence; receiving partial pension or social security benefits, etc. Flow data to show trajectories of young persons into economic activity and of older persons after retirement, complemented by longitudinal studies of "whole-life careers", could show alternations between work and studies throughout life that illustrate labour force connections. This passage from school to work increasingly involves the phenomena of later graduation and later entrance into the labour market. Key indicators could be developed to relate to

precarious job holders and to persons at the margins of the labour market. Labour migration and the evolution of short- and long-term movements across national boundaries for production and work also have an impact on the structure of the labour force and national labour markets.

3. New categories between employment/unemployment and work statistics

12. To better reflect changes in the structure of the labour force for economic and social policymaking and to describe modern labour markets and work, the conceptual basis for the current statistics of employment and unemployment could be examined. Their usefulness could be improved if the notion of "work" incorporated the contribution to national production, to income generation and subsistence, as well as the social recognition of activities currently left out from labour force, including unpaid non-market services, such as volunteer work and household service work. Labour force flows between market activity and household production for one's own use and the relationship with economic development could be addressed and might help to describe the social as well as economic realities connected to the changing structure of the labour force and work.

4. Priorities on the changing structure of the labour force for participants at the eighteenth International Conference of Labour Statisticians

13. Clear identification of and study of movement between the categories of employee, employer, own-account worker and other such statuses in employment are also key to understanding the changing structure of the labour force. The Conference thus indicated as priority items work on: (a) revising the International Classification of Status in Employment (ICSE-93); and (b) a possible revision of the current international standards on statistics of the economically active population, employment and unemployment adopted by the thirteenth ICLS (1982).

Road map

14. In examining these and other issues and ways of taking the work forward, ILO contacted the Paris City Group on Labour and Compensation for their input and interest in leading the work. No formal response was received from the Group, although many of its members sent in individual contributions on those aspects considered important, as reflected above. It is not clear that the Group continues to function as originally constituted, and in consultation with the CCSA it was decided to bring the matter to the attention of the Commission. Several members indicated a desire to continue the discussion through a more informal process of country groups around individual topics. The proposals are therefore as follows:

(a) ILO would lead work in collaboration with other agencies on aspects relating to possible revision of ICSE-93 and of the current international standards on statistics of the economically active population, employment, unemployment and underemployment. It is intended that proposals will be made to a meeting of experts with a view to presenting results or progress reports to a future ICLS, maybe the twentieth, to be held in 2014;

(b) There is a need to identify national statistical offices or other supranational organizations that could lead informal groups of countries to work in other areas, such as ageing, with support and inputs from ILO. Proposals from such groups would then be brought to a formal meeting of experts for consideration.

B. Labour statistics framework and dynamics of the labour force

15. The need to extend the labour statistics framework, in part to deal better with dynamics of the labour force, and in part to reflect some of the issues raised above, has received a good deal of attention in recent years. Related topics have been discussed in international meetings, including ICLS, the Conference of European Statisticians and the Paris City Group. The eighteenth ICLS endorsed the recommendation of the programme review that this was a priority area, especially with regard to the development of statistics on flows. However, there are no international standards on any of these topics.

Road map

16. The discussion of the possibility of developing international standards by a task force or working group is recommended, as it has been beneficial for other topics in the past. Such a group would need to be made up of national statisticians who are interested in and available to make a contribution. The group would meet with the clear and specific mandate to discuss the various dimensions involved, as well as to determine feasibility and an approach to develop international guidelines on these topics. While the task force would need to be organized by a national statistical institute, ILO would contribute actively to the discussions, and would facilitate taking material forward to more formal meetings of experts and the ICLS.

17. Specifically, it is expected that the Office for National Statistics of the United Kingdom of Great Britain and Northern Ireland would lead this work, with support from ILO and an informal working group of countries. A report on results or on progress may be made to the nineteenth ICLS in 2011. In any event, outcomes need to feed into any revision of the resolution on the economically active population mentioned in paragraph 14 (a) above.

C. Informal employment

18. The review report identified informal employment and the non-observed economy among the priority areas for labour statistics in the future. The report indicated that there was a need for a working group to discuss the topic and to suggest where improvements in quality and coverage could be made.

Road map

19. The following activities are currently under way:

(a) The Expert Group on Informal Sector Statistics (Delhi Group) already exists and is working in this area with the objective of producing, in the near future, in collaboration with ILO, a manual on surveys of informal employment and informal sector. ILO will raise the issue at the meeting of the Delhi Group, to be held on 29 and 30 January 2009. A substantial amount of developmental work has already been accomplished on the measurement of informal employment, including the adoption of an international statistical standard definition by the seventeenth International Conference of Labour Statisticians (2003);

(b) Volume 2 of the System of National Accounts will address informal employment from the viewpoint of national accounts;

(c) The regional commissions, United Nations Statistics Division, Women in Informal Employment: Globalizing and Organizing and ILO are involved in a development account project to generate statistics relating to employment and production in the informal sector.

20. Further work in this area is thus likely to concentrate on technical cooperation and the exchange of national experience.

D. Measurement of productivity

21. Labour statistics are used by many countries as base statistics in the production of national accounts estimates, including labour productivity. However, the understanding of basic concepts and definitions relating to labour statistics varies to a significant extent between labour statisticians and national accountants. Furthermore, countries apply different methods of aggregation and adjustment when using labour statistics in their national accounts. Consequently, issues arise with respect to international comparisons between countries and even comparison over time within countries.

22. Work in this area therefore has two major objectives:

(a) To arrive at a common understanding between labour statisticians and national accountants on concepts, definitions and methods for producing the labour statistics used for national accounts purposes;

(b) To develop international standards for producing national accounts indicators such as labour productivity, using agreed methods of aggregation and adjustments.

Road map

23. ILO, in consultation with the United Nations Statistics Division and Eurostat, is to organize joint regional seminars for labour statisticians and national accountants. The objective of the seminars is to provide a forum for an exchange of information between labour statisticians and national accountants on the uses in national accounts of labour statistics in its widest sense, including for the measurement of labour productivity, and how best these needs could be served by labour statisticians. In discussions with the editorial team of the System of National Accounts, it was felt that this would also improve the communication between the two groups. The Committee for the Coordination of Statistical Activities endorsed the proposal, with other institutions indicating a wish to be involved in the exercise. It is hoped that the first of the seminars will take place in the first quarter of 2009.

24. There are as yet no firm plans for addressing the issue of international standards for aggregation and adjustment of labour statistics when producing national accounts aggregates. The recent adoption of a resolution on working time by the eighteenth ICLS is a contribution towards such standards since the resolution included accepted methods for measuring labour input to produce estimates of labour productivity.

E. Other priority areas of work identified by the eighteenth International Conference of Labour Statisticians

25. The discussions at the eighteenth ICLS included working group sessions involving in-depth discussion on the measurement of decent work, on indicators of labour underutilization, and on the measurement of volunteer work. As a result, the Conference adopted resolutions providing guidance on the future work of the International Labour Office on the development of measures on measuring and monitoring decent work and on labour underutilization.

26. The resolution on labour underutilization called for a set of indicators that would be complementary to the unemployment rate and more fully reflect realities in the world of work in many countries. Indicators related to labour slack, low earnings and skills mismatch were seen as important potential indicators. Participants felt that it would be important for these new indicators to be taken as seriously as the unemployment rate and used together with the unemployment rate in assessing the performance of their labour markets.

27. The Conference also made recommendations concerning work on the completion of a manual on the measurement of volunteer work that had been drafted as a part of a partnership between ILO and the Johns Hopkins University Center for Civil Society Studies. The Conference also provided guidance to ILO on other items of the future work of the Organization.

Road map

28. ILO will lead work on the measurement of decent work, including further work on indicators of labour underutilization and of social dialogue, in collaboration with other agencies, such as within the context of the ILO/Economic Commission for Europe/European Union Commission Task Force on the Measurement of the Quality of Employment. Pilot studies and desk reviews have started, and the results are to be reported to the nineteenth ICLS to be held in 2011.

29. Work on the development of a harmonized framework for wages statistics will be carried out by ILO in collaboration with national statistical offices and other agencies, possibly in the context of a working group. A report may be ready for discussion at the twentieth ICLS in 2014.

30. With respect to revision of the resolution on social security statistics adopted by the ninth ICLS (1957), the Social Security Department of ILO will take the lead following specific requests from participants at the eighteenth ICLS. It is not yet clear how the work will be implemented, or who will be involved.

III. Organization, duration and frequency of International Conferences of Labour Statisticians

31. The role, frequency and duration of ICLS was discussed in depth at the eighteenth ICLS. There was strong support for retaining the technical standard-setting role of the Conference, and for the input of labour statisticians and labour ministry analysts on the critically important task of devising robust measurement approaches. The Conference also provided an opportunity for statisticians to advise ILO on its work agenda and work in support of member States. While reaffirming its

own overall responsibility for initiating, reviewing and approving new or updated standards, the eighteenth ICLS saw a number of possibilities for improving the efficiency of the Conference and its supporting mechanisms. In particular, delegates identified scope for greater use of technical and other expert groups at the international and regional levels and electronic means of consultation to advance technical work and bring well-informed guidance to the Conference for its deliberations and decisions.

32. Delegates agreed with suggestions to increase the frequency of the Conference to every three years, and to shorten its duration. Shortening the ICLS to five days would facilitate more senior participation and continuity between conferences, and perhaps allow more than one delegate per member State to attend, assisting the operations of the Conference if parallel sessions were necessary.

33. The Conference adopted a resolution concerning the organization, frequency and duration of the ICLS, recommending to the Governing Body of the ILO that International Conferences of Labour Statisticians be conducted every three years for a duration of five days. Should these recommendations be adopted by the Governing Body, the nineteenth ICLS would take place in 2011.

IV. Technical assistance to help countries produce high-quality labour statistics

34. ILO is engaged in discussions with development partners (including the African Development Bank and the World Bank) to improve the availability of technical assistance to developing countries, especially those in Africa, to improve their capacity to organize reasonably frequent labour force surveys. The Director-General of ILO has identified this as a major theme in the ILO Strategic Policy Framework for 2010-2015 and expects to develop a comprehensive technical cooperation programme on it in collaboration with other development partners.

V. Conclusions

35. The present report lays out the main issues relating to future work items in labour statistics for the global statistical system and details possible plans for their implementation over the period 2009-2014. It clearly stresses the need for cooperation between national statistical offices and international agencies, including ILO, to move towards achieving these goals. In this regard, the report, recognizing the resource challenges, recommends the use of coordination mechanisms, which require a commitment from national statistical offices and agencies not only to participate in conferences and meetings but also to free up skilled staff to get involved directly in the work through the many proposed working groups. They are also encouraged to offer to lead some of these discussion groups.

VI. Points for discussion

36. **The Commission is invited to:**

(a) **Review the proposals in the report with respect to future work;**

(b) Review the status of the Paris City Group on Labour and Compensation;

(c) Encourage national statistical offices and supranational agencies to take up the gauntlet of leading the work in the working groups proposed as a substitute for the Paris City Group;

(d) Confirm its support for the efforts of ILO and other development partners to secure technical assistance for a programme of labour force surveys, especially in Africa;

(e) Note the resolutions on working time and child labour adopted by the eighteenth ICLS;

(f) Note the action taken by the eighteenth ICLS in response to its recommendations on the organization, frequency and duration of the Conference.